66379

MT LEGISLATIVE HISTORY

Chapter 381 1975

Bill H 545 S _____ Original bill & Hist. ✓ C

H. Committee on Taxation		S. Committee on Taxation	
Hearing Date(s) _____	___C	Hearing Date(s) _____	___C
2/14	✓C	3/15	✓C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out 2/18	✓C	3/21	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

House BILL NO. 545

INTRODUCED BY Dussinger, Keyser, Mular, Brand, Harlow, Magone, Johnson, Kammerzelt

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 84-708.1, R.C.M. 1947, TO ALLOW THE DEPARTMENT OF REVENUE THE DISCRETION TO ENTER INTO RECIPROCAL AGREEMENTS WITH STATES CONCERNING THE TAXING OF NON-RESIDENT INCOME."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 84-708.1, R.C.M. 1947, is amended to read as follows:

"84-708.1. Powers and duties of the state department of revenue. (1) To annually assess the franchise, roadway, roadbeds, rails, and rolling stock, and all other property of all railroads, and the pole lines and rights of way and all other property of all telegraph and telephone lines, electric power and transmission lines, ditches, canals and flumes, and other similar property, constituting a single and continuous property operated in more than one (1) county in the state, and to apportion such assessments to the counties in which such properties are located on a mileage basis, or in the case of telegraph or telephone microwave electronic equipment, which has no physical connection with the total system, but is an integral part of such system, apportion the valuation for assessment of such company in

INTRODUCED BILL

this state among the several counties of this state in such proportion as will fairly represent the valuation for assessment within each such county, utilizing commonly recognized methods of apportioning as shall be just and equitable, provided, however, that lots and parcels of real estate not included in right of way, with the buildings, structures, and improvements thereon, dams and power houses, depots, stations, shops, and other buildings, erected upon right of way, furniture, machinery, and other personal property, shall not be considered as a part of any such single and continuous property, but shall be considered as separate and distinct therefrom, and shall be assessed by the agent of the department of revenue in the county wherein they are situate.

(2) To transmit to the county clerk of each county its apportionment of all assessments made by the department.

(3) To adjust and equalize the valuation of taxable property among the several counties, and the different classes of taxable property in any county and in the several counties and between individual taxpayers; supervise and review the acts of agents of the department; change, increase or decrease valuations made by its agents; and exercise such authority and do all things necessary to secure a fair, just and equitable valuation of all taxable property among counties between the different classes of

property and between individual taxpayers.

(4) To have and exercise general supervision over the administration of the assessment and tax laws of the state, and over its agents and any officers of municipal corporations, having any duties to perform under any of the laws of this state relating to taxation to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law, and to supervise the administration of all revenue laws of the state and assist in their enforcement. Further, the state department of revenue is empowered to organize, and it shall be its duty to schedule and hold area schools within the state for appraisers and assessors as often as is deemed necessary in the judgment of the department and the costs of such appraisers and assessors attending shall be borne by the state. Further, the department shall determine if there is a need for a taxing, assessing, and appraising school, and such school shall be held, when deemed necessary. The department shall notify all assessors and appraisers at least six (6) months before such school is scheduled and it shall be the duty of all assessors and appraisers to attend and the cost of their attendance shall be borne by the state.

(5) To confer with, advise and direct officers of municipal corporations as to their duties, with respect to

taxation, under the statutes of the state.

(6) To direct proceedings, actions and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities and punishment of public officials and persons, or their agents, for failure or neglect to comply with the provisions of the statutes governing the revenue of the state or municipal corporations; and to cause complaints to be made against assessors and other public officers to the proper district court for their removal from office for official misconduct or neglect of duty.

(7) To require county attorneys to assist in the commencement and prosecution of actions and proceedings for penalties, forfeitures, removals and punishment for violations of the laws of the state in respect to the assessment of property and other revenue laws, in their respective counties.

(8) To collect annually from the proper officers of the municipal corporations information as to the assessment of property, collection of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, and such other information as may be needful and helpful in the work of the department in such form and upon such blanks as the department shall prescribe; and it shall be the duty of all public officers so called upon to fill out properly and return promptly to the department all

blanks so transmitted and in every way aid the department in its work; to examine the records of all municipal corporations for such purposes as are deemed needful or helpful by the department.

(9) In its discretion, to inspect and examine, or cause an inspection and examination of the records of the officers of any municipality, whenever such officer shall have failed, neglected or refused to return properly the information required by this section within the time set by the department. Upon completion of such inspection and examination the department shall transmit to the clerk, or other proper official of the municipality, a statement of the expenses incurred by the department to secure the necessary information. Within sixty (60) days after the receipt by the municipality of the above statement, the same shall be audited, as other claims of the municipal corporation are audited and shall be paid into the state treasury and if the same is not so paid the attorney general shall institute an action, in the proper court, against the municipality to recover the same.

The officers responsible for the furnishing of the information collected pursuant to this section, shall be jointly and severally liable for any loss the municipality may suffer, through their delinquency; and no payment shall be made to them for salary, or on any other account, until

the cost of such inspection and examination as provided above shall have been paid into the treasury, or to the proper officers of such municipality. They shall also be subject to such other fines and penalties as prescribed by law.

(10) To require persons, as defined above, to furnish information concerning their capital, funded or other debt, current assets and liabilities, cost and value of property, earnings, operating and other expenses, taxes and all other facts which may enable the department to ascertain the value of the relative burdens borne by all kinds of property and occupations in the state.

(11) To summon witnesses to appear and give evidence, and to produce records, books, papers and documents relating to any matter which the department shall have authority to investigate and determine.

(12) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken upon notice to the interested party, if any, in like manner that depositions are taken in actions pending in the district court, in any matter which the department shall have authority to investigate and determine.

(13) To examine into all cases where evasion or violation of the laws for taxation of property, proceeds, occupation or business is alleged, complained of or

discovered, and to ascertain wherein existing laws are ineffective or are improperly or negligently administered.

(14) To investigate the tax systems of other states and countries and to formulate and recommend legislation for the better administration of the fiscal laws so as to secure just and equal taxation and improvement in the system of taxation and the economical expenditure of public revenue in the state.

(15) To consult and confer with the governor of the state upon the subject of taxation, the administration of the laws relating thereto and the progress of the work of the department, and to furnish the governor such assistance as he may require.

(16) To transmit to the governor and to each member of the legislature twenty (20) days before the meeting of the legislature, a report of the department, showing all the taxable property of the state and the value of the same in tabulated form, with recommendations for improvements in the system of taxation, together with such measures as may be formulated for the consideration of the legislature; and to include therein a report showing the selling price of gasoline at the wholesale level in prime market centers of Montana and in surrounding states during the biennium, with indexes tabulated at sufficient intervals to show the comparative state price structures.

(17) In its discretion, to enter into reciprocal agreements with the taxing authorities of states which tax the income of Montana residents earned in that state to provide that the tax imposed by Title 84, chapter 49, R.C.M. 1947, on income derived by persons who are non-residents of this state shall not be payable when such other state or states agree to grant similar treatment to residents of Montana."

-End-

STATE OF MONTANA

REQUEST NO. 170-75

FISCAL NOTE

Form BD 15

In compliance with a written request received February 6, 1975, 19 ____, there is hereby submitted a Fiscal Note for House Bill 545 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 545 allows the Department of Revenue the discretion to enter into reciprocal agreements with states concerning the taxing of non-resident income.

ASSUMPTIONS:

1. It is not possible to predict the states which are likely to enter into reciprocal taxing agreements with Montana.
2. Montana State personal income taxes are the ninth highest in the U.S. based on state taxes paid per $1,000 personal income. Thus, assume higher tax rates for Montana than reciprocal states.
3. Current Montana personal income tax statutes require non-residents to pay Montana income taxes on income earned within Montana.
4. Current Montana personal income tax statutes require residents to pay Montana income taxes on all income earned, regardless of where earned. A tax credit is allowed for taxes paid other states.

CONCLUSIONS:

Enactment of House Bill 545 would result in increased tax collections from Montana residents earning income in reciprocal states since residents' earnings would no longer be taxed in the reciprocal state and hence no credit for such against Montana tax. The gain in each case would be the product of the reciprocal state's tax rate and the income earned in that state. Enactment of House Bill 545 would result in decreased tax collections from non-residents of reciprocal states since non-residents would now be completely exempt from paying Montana state income tax. The loss in each case would be the product of the Montana tax rate and the income earned in Montana. To unequivocably predict the net impact of House Bill 545 the relative tax rates, respective definitions of taxable income and distribution of resident and non-resident returns affected would have to be known. Given the current treatment of incomes affected and the likelihood of Montana tax rates being higher than reciprocal states, it is highly probable that Montana personal income tax net collections would decrease as a result of enactment of House Bill 545.

Michael B. Billings

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 11, 1975

1975 house

12.

TAXATION COMMITTEE

44th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
HB 545 ✓	Allow dept. or revenue discretion to enter into reciprocal agreements with states concerning taxing of non-resident income.	2/1	DASSINGER Aageson	2/14	Heard DO PASS	2/18/75
HB 559	Reclassification of lands, city & town lots, rural & urban improvements be classified every 5 yrs; timber & timerland every 5 years; amends	2/1	HALVORSON (DoR)	2/19	Heard 2/25-DO PASS AS AMENDED	2/25
HJR 46	Urging Dept. of Revenue to apply its revenue ruling #42-2.6(2)-S60730 in a fair and evenhanded manner. Spouse equality re st.income tax	2/1	BRADLEY Gunderson	2/15	(2/25-Write letter to Com.on Prior Heard ities or D of R) 2/20 - subcom. Bengtson, Williams Fabrega 2/25-DO NOT PASS	2/25
HB 554	Amend 59-1007, relating to leaves of absence for employees & excepting employees of elementary and high school districts.	2/3	By request SCULLY	~~2/24~~	2/17-Gave back to Shaun. Labor's Bill.	2/17/75
HB 580	Exempt $2300 of assessed value of single family residences occupied by owner or purchaser; compensation to local govts. in lieu; eff. date	2/3	YARDLEY	2/21	Heard 3/6/75 HELD IN COMMITTEE	--
HB 584	Requiring institutions, corps. & persons to report assets & securities of decedents to DoR & obtain consent before transferring assets & securities	2/3	YARDLEY	2/21	Heard 3/6/75 HELD IN COMMITTEE	--

TAXATION COMMITTEE

February 14,1975

Chairman Dan Yardley, called the meeting to order at 8:00 a.m. in room #108, Capitol Building, Helena. All members were present. House Bills 545 and 374 were scheduled to be heard.

HOUSE BILL 545

Rep. E. N. Dassinger, District 50, Forsyth, explained that HB 545 is a bill which will allow bordering states and Montana to enter into a reciprocal agreement on state income tax on persons with income in both states. Presently each state has to deduct income tax out of a person's pay, whereby under this bill the department of revenue can make an agreement with the other state regarding employee's income tax deduction.

Mr. Laury Lewis, Deputy Director of the Department of Revenue advised HB 545 is not a department of revenue bill, and they do notobject to this bill. North Dakota railroad workers come back and forth. We are asking them to file in Montana and then in North Dakota, too. Railroad workers are about the same number in Montana as in North Dakota. HB 545 sets up a reciprocity agreement giving the department of revenue discretion so that they might be able to evaluate this.

Other states have such reciprocity agreements.

There were no opponents to HB 545.

HOUSE BILL 374

Rep. Ora J. Halvorson, District 16, Kalispell, chief sponsor of HB 374, explained that this bill is to tax capital gains on speculative land sales where there is a great difference in the buying and selling price, and where the buyer does not hold the land over six years. It is the middle man who will pay the tax on short term ownerships which are contributing to inflation. This sort of tax is being used in other places.

Mr. Richard Bourke, staff economist of the Environmental Quality Council prepared a brochure explaing House Bill 374, copy of which is attached hereto, marked Exhibit A. This proposed tax is an additional tax on capital gains on land held less than six years.

Mr. Richard Klinger, attorney for the state, was testifying at the request of Rep. Halvorson. He had worked with this type of legislation last year. He said the power to tax is the power to control. The growth of subdivision of agricultural land in Montana needs to be controlled he feels. The long-term investor is not penalized by HB 374, only the in and outers.

Rep. Yardley requested Mr. Tom Keegan, attorney for the committee to check as to where this bill would apply that it does not now apply.

HOUSE BILL 449 — Rep. J. D. Lynch, Silverbow County, District 7, presented Mr. Wallace Edland of the School Board Association who stated that school boards and school districts are not "taxing authorities" as they have to go through the counties with regard to taxes.

Meeting adjourned at 8:30 a.m.

Executive meeting was called to order at 8:35 a.m.

HOUSE BILL 449 - Rep. Edward Lien moved that House Bill 449 DO PASS. Motion carried unanimously.

HOUSE BILL 545 - Rep. E. N. Dassinger moved that House Bill 545 DO PASS - motion carried unanimously.

HOUSE BILL 107 was amended as follows:

1. Amend title, page 1, line 5.
   Following: "TAXABLE"
   Insert: "REAL"
2. Amend title, page 1, line 6.
   Following: "PROPERTY"
   Insert: "AND IMPROVEMENTS"
3. Amend title, page 1, line 7.
   Following: "EXCEPTIONS"
   Insert: "; AND PROVIDING AN EFFECTIVE DATE"
4. Amend page 1, Section 1, line 14.
   Following: "taxable"
   Insert: "real"
5. Amend page 1, Section 1, line 14.
   Following: "property"
   Insert: "and improvements"
6. Amend page 1, Section 1, lines 19 through 24.
   Strike: Subsections (2) and (3) in their entireties.
   Renumber subsequent subsection.
7. Amend page 4, following line 5.
   Insert:
   "Section 3. This act is effective on its passage and approval."

Rep. W. Jay Fabrega moved that House Bill 107 DO PASS AS AMENDED. Motion carried with Rep. Harrison Fagg voting No.

HOUSE BILL 597 - Rep. W. Jay Fabrega moved that the following amendment to HB 597 be made: Amend page 1, Section 1, line 20.
Following: "assessed."

1915 Senate

44th LEGISLATIVE SESSION

COMMITTEE ON TAXATION

HOUSE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CONCURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CONCURRED IN DATE
241	2/13	3/6	3/6					3/6	
244	2/13	3/13							
295	3/7	3/25	3/29						3/29
302	2/22	3/14 3/25	3/25				3/25		
303	2/13	3/14	3/14					3/14	
320	2/28	3/15	3/21					3/21	
324	2/22	3/14	3/25				3/25		
325	2/22	3/14	3/25						3/25
341	3/20	3/26	3/26					3/26	
374	3/11	3/26	4/3						4/3
392	3/7	3/13	3/28						3/28
435	3/4	3/13 3/17	3/21					3/21	
439	3/7	3/21	3/26					3/26	
447	2/19	3/12	3/12				3/12		
449	2/22	3/12	3/25						3/25
448	3/20	3/25	3/12	Back in 3/31		Out 4/2		3/25	
488	3/20	3/25	3/25					3/25	
506	3/11	3/22	3/29						3/29
545 ✓	2/22	3/15	3/21					3/21	

Separate Sheet for Senate House Bills and Resolutions

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 15, 1975

The forty-second meeting of the Taxation Committee was called to order on the above date in Room 415 of the State Capital Building by Chairman Watt at 8:10 a.m.

ROLL CALL: Roll call found all of the members present.

The following witnesses were present:

Jim Burnham	Mountain Bell
Bob Corette	Montana Power
Les Loble	Gen. Tel. of N.W. Inc./ M-D U/ Western, Northwester & Frontier Airlines
Bill Thomas	House of Rep.
E.N. Dassinger	"
Darren Dassinger	Forsyth
Ken Morrison	Dept. of Rev.
Larry Lewis	"
Kenneth D. Clark	United Transportation Union

CONSIDERATION OF HOUSE BILL 597: Rep. Halvorson of Dist. 16 was present to introduce the bill which she said was simply to eliminate separate assessment of house and lot for tax purposes. Her presentation was brief and she referred questions to representatives of the Department of Revenue.

Chairman Watt asked for additional proponents and opponents and there being none, concluded the hearing on the bill.

CONSIDERATION OF HOUSE BILL 302 - CONTINUATION: This bill was heard at Friday's meeting as well and Mr. Loble as principal opponent of the bill, was permitted to continue his testimony. He presented some written testimony, copies attached, Exh. #1, 2 and 3. Included in the testimony was an amendment to be made to the bill and Mr. Loble discussed this amendment. He stated they have no objection to the approach the Department is taking in the bill, but feel there must be an amendment, copy of which is attached, Exh. #4.

Following his presentation the Chairman asked for other opponents of the bill and there being none, opened the meeting for questions by the committee. Questions were raised concerning the method by which the airlines were taxed, as to flight property, tonnage of passenger and air freight, etc., with Mr. Loble, and Mr. Morrison contributing information.

The hearing on HB302 was then concluded.

CONSIDERATION OF HOUSE BILL 545: Rep. Dassinger, Dist. 50, presented his bill which he said gave the Department of Revenue power to have reciprocal agreement with other states regarding taxing of non-resident income. Also testifying on the bill was Mr. Lewis of the Department.

Appearing as a proponent of the bill was Mr. Clark and following his testimony Chairman Watt asked for opponents of the bill and hearing none, permitted questions by the committee. Mr. Tippy also asked several questions regarding such agreements.

Following this discussion Chairman Watt concluded the hearing on HB 545.

CONSIDERATION OF HOUSE BILL 320: Rep. Thomas, Dist. 48, said the bill deals with centrally assessed utilities, and changing them to different classification and thus the tax from 20 to 40%.

Testimony and further explanation was heard from Mr. Burr and discussion was also heard on the amendment presented by Rep. Thomas, attached, Exh. #5.

Chairman Watt called for other proponents of the bill and hearing none permitted the opponents to speak.

Mr. Burnham was first to speak, but stated his support of the amendment. Mr. Loble also spoke in opposition and stated he felt it was not a simple bill at all, and asked that the committee take a good look at the bill and assess the resultant change in the law before they pass the bill. Mr. Corette also spoke in opposition stating the legislation would mean a considerable amount of extra taxes to his company.

Mr. Burr also entered into the ensuing discussion, explaining the method by which the assessments are being determined in regard to transformer, line and meters in an individual residence. A number of questions were raised by the committee.

Following this, the members again discussed briefly HB597, previously heard. They suggested an amendment which might limit the separate assessment to house and lots 'in incorporated cities and towns'. Mr. Tippy was asked to draw up such an amendment for the next meeting of the committee.

Chairman Watt announced the committee would meet Monday noon for executive action only, and following, adjourned the meeting.

Robert D Watt
ROBERT D. WATT CHAIRMAN

ROLL CALL

TAXATION COMMITTEE

44th LEGISLATIVE SESSION - - 1975 Date 3/15

NAME	PRESENT	ABSENT	EXCUSED
SEN. HEALY	✓		
SEN. BROWN	✓		
SEN. MANNING	✓		
SEN. MATHERS	✓		
SEN. NORMAN	✓		
SEN. TOWE	✓		
SEN. TURNAGE	✓		
CHAIRMAN WATT	✓		

SENATE TAXATION COMMITTEE

House BILL 302-continued VISITORS' REGISTER DATE 3/15

320, 545, 597

NAME	REPRESENTING	BILL #	(check one) SUPPORT	OPPOSE
Jim Durnham	Mountain Bell	HB320	Amend	
Dale Cook	Montana Power	HB320	✓	
Les Loble	Gen Tel of the NW Montana Dakota Util Co	HB320		✓
Les Loble	Western Northwestern & Frontier Airlines	HB 302	amend	
Rep Bill Thomas	House of Rep	320	amend	
E N Dassinger	Rep.	545	✓	
Darren Dassinger	Forsyth			
Ken Morrison	Dept. of Revenue	HB320 HB302	—	
Larry Lewis	" "	HB 545	✓	
Kenneth O Clark	united transportation union	HB 545	✓	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 21, 1975

The forty-ninth meeting of the Taxation Committee was called to order on the above date in Room 415 of the State Capital Building by Chairman Watt at 12:30 p.m., for an executive session.

ROLL CALL: Roll call found all of the members present.

The Chairman asked the committee to first consider HB597 heard previously. There were a number of amendments that had been suggested and each of these were discussed. Following their discussion the members agreed the bill was acceptable to them and agreed on moving the bill.

DISPOSITION: Sen. Turnage Moved to Adopt Amendments to HB597; this motion carried and following some additional discussion, motion made to move it as amended, copy attached.
Sen. Turnage MOVED HB597 AS AMENDED, BE CONCURRED IN. This motion carried.

The committee next considered HB435 also heard previously and after additional discussion, decided that HB130 did not do what they wanted with the mobile home tax and proposed several amendments to the bill.

DISPOSITION: Sen. Towe Moved to Adopt Amendments to HB435. This motion carried. See committee report copy.
Sen. Towe then MOVED HAB435 AS AMENDED, BE CONCURRED IN. This motion also carried, however note for record Sen. Brown voted "no".

The committee then discussed HB320 and there were several amendments proposed for this bill also.

DISPOSITION: Sen. Mathers Moved to Adopt Amendments to HB320. Motion was carried; see committee report copy.
Sen. Towe then MOVED HB320 AS AMENDED, BE CONCURRED IN. This motion also carried.

Up for consideration next was HB545. There followed discussion on this bill and an amendment proposed to make it acceptable.

DISPOSITION: Sen. Turnage Moved to Adopt Amendment to HB545; motion carried. See committee report copy.
Sen. Towe then MOVED HB545 AS AMENDED, BE CONCURRED IN. Motion carried.

There followed some discussion on HB324 and 325 and several of the amendments submitted by the chief sponsor, Rep. Stoltz were introduced by the Chairman, however no action was taken on the bills.

ROLL CALL

TAXATION COMMITTEE

44th LEGISLATIVE SESSION - - 1975 Date 3/21

12:10

NAME	PRESENT	ABSENT	EXCUSED
SEN. HEALY	✓		
SEN. BROWN	✓		
SEN. MANNING	✓		
SEN. MATHERS	✓		
SEN. NORMAN	✓		
SEN. TOWE	✓		
SEN. TURNAGE	✓		
CHAIRMAN WATT	✓		

STANDING COMMITTEE REPORT

March 21 19 75

MR. PRESIDENT

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 545

Respectfully report as follows: That HOUSE Bill No. 545,

third reading, be amended as follows:

1. Amend page 8, section 1, line 2.
   Following: "states"
   Insert: "contiguous to the state of Montana"

AND AS SO AMENDED, BE CONCURRED IN

DO XXXX

ROBERT D. WATT Chairman.

STATE PUB. CO.
Helena, Mont.

HOUSE BILL NO. 545

INTRODUCED BY DASSINGER, AAGESON, MULAR, BRAND, HERLEVI, MAGONE, JOHNSON, KUMMERFELDT

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 84-708.1, R.C.M. 1947, TO ALLOW THE DEPARTMENT OF REVENUE THE DISCRETION TO ENTER INTO RECIPROCAL AGREEMENTS WITH STATES CONCERNING THE TAXING OF NON-RESIDENT INCOME."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 84-708.1, R.C.M. 1947, is amended to read as follows:

"84-708.1. Powers and duties of the state department of revenue. (1) To annually assess the franchise, roadway, roadbeds, rails, and rolling stock, and all other property of all railroads, and the pole lines and rights of way and all other property of all telegraph and telephone lines, electric power and transmission lines, ditches, canals and flumes, and other similar property, constituting a single and continuous property operated in more than one (1) county in the state, and to apportion such assessments to the counties in which such properties are located on a mileage basis, or in the case of telegraph or telephone microwave electronic equipment, which has no physical connection with the total system, but is an integral part of such system, apportion the valuation for assessment of such company in this state among the several counties of this state in such proportion as will fairly represent the valuation for assessment within each such county, utilizing commonly recognized methods of apportioning as shall be just and equitable, provided, however, that lots and parcels of real estate not included in right of way, with the buildings, structures, and improvements thereon, dams and power houses, depots, stations, shops, and other buildings, erected upon right of way, furniture, machinery, and other personal property, shall not be considered as a part of any such single and continuous property, but shall be considered as separate and distinct therefrom, and shall be assessed by the agent of the department of revenue in the county wherein they are situate.

(2) To transmit to the county clerk of each county its apportionment of all assessments made by the department.

(3) To adjust and equalize the valuation of taxable property among the several counties, and the different classes of taxable property in any county and in the several counties and between individual taxpayers; supervise and review the acts of agents of the department; change, increase or decrease valuations made by its agents; and exercise such authority and do all things necessary to secure a fair, just and equitable valuation of all taxable

REFERENCE BILL

property among counties between the different classes of property and between individual taxpayers.

(4) To have and exercise general supervision over the administration of the assessment and tax laws of the state, and over its agents and any officers of municipal corporations, having any duties to perform under any of the laws of this state relating to taxation to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law, and to supervise the administration of all revenue laws of the state and assist in their enforcement. Further, the state department of revenue is empowered to organize, and it shall be its duty to schedule and hold area schools within the state for appraisers and assessors as often as is deemed necessary in the judgment of the department and the costs of such appraisers and assessors attending shall be borne by the state. Further, the department shall determine if there is a need for a taxing, assessing, and appraising school, and such school shall be held, when deemed necessary. The department shall notify all assessors and appraisers at least six (6) months before such school is scheduled and it shall be the duty of all assessors and appraisers to attend and the cost of their attendance shall be borne by the state.

(5) To confer with, advise and direct officers of

municipal corporations as to their duties, with respect to taxation, under the statutes of the state.

(6) To direct proceedings, actions and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities and punishment of public officials and persons, or their agents, for failure or neglect to comply with the provisions of the statutes governing the revenue of the state or municipal corporations; and to cause complaints to be made against assessors and other public officers to the proper district court for their removal from office for official misconduct or neglect of duty.

(7) To require county attorneys to assist in the commencement and prosecution of actions and proceedings for penalties, forfeitures, removals and punishment for violations of the laws of the state in respect to the assessment of property and other revenue laws, in their respective counties.

(8) To collect annually from the proper officers of the municipal corporations information as to the assessment of property, collection of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, and such other information as may be needful and helpful in the work of the department in such form and upon such blanks as the department shall prescribe; and it shall be the duty of all public officers so called upon to fill

out properly and return promptly to the department all blanks so transmitted and in every way aid the department in its work; to examine the records of all municipal corporations for such purposes as are deemed needful or helpful by the department.

(9) In its discretion, to inspect and examine, or cause an inspection and examination of the records of the officers of any municipality, whenever such officer shall have failed, neglected or refused to return properly the information required by this section within the time set by the department. Upon completion of such inspection and examination the department shall transmit to the clerk, or other proper official of the municipality, a statement of the expenses incurred by the department to secure the necessary information. Within sixty (60) days after the receipt by the municipality of the above statement, the same shall be audited, as other claims of the municipal corporation are audited and shall be paid into the state treasury and if the same is not so paid the attorney general shall institute an action, in the proper court, against the municipality to recover the same.

The officers responsible for the furnishing of the information collected pursuant to this section, shall be jointly and severally liable for any loss the municipality may suffer, through their delinquency; and no payment shall

be made to them for salary, or on any other account, until the cost of such inspection and examination as provided above shall have been paid into the treasury, or to the proper officers of such municipality. They shall also be subject to such other fines and penalties as prescribed by law.

(10) To require persons, as defined above, to furnish information concerning their capital, funded or other debt, current assets and liabilities, cost and value of property, earnings, operating and other expenses, taxes and all other facts which may enable the department to ascertain the value of the relative burdens borne by all kinds of property and occupations in the state.

(11) To summon witnesses to appear and give evidence, and to produce records, books, papers and documents relating to any matter which the department shall have authority to investigate and determine.

(12) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken upon notice to the interested party, if any, in like manner that depositions are taken in actions pending in the district court, in any matter which the department shall have authority to investigate and determine.

(13) To examine into all cases where evasion or violation of the laws for taxation of property, proceeds,

occupation or business is alleged, complained of or discovered, and to ascertain wherein existing laws are ineffective or are improperly or negligently administered.

(14) To investigate the tax systems of other states and countries and to formulate and recommend legislation for the better administration of the fiscal laws so as to secure just and equal taxation and improvement in the system of taxation and the economical expenditure of public revenue in the state.

(15) To consult and confer with the governor of the state upon the subject of taxation, the administration of the laws relating thereto and the progress of the work of the department, and to furnish the governor such assistance as he may require.

(16) To transmit to the governor and to each member of the legislature twenty (20) days before the meeting of the legislature, a report of the department, showing all the taxable property of the state and the value of the same in tabulated form, with recommendations for improvements in the system of taxation, together with such measures as may be formulated for the consideration of the legislature; and to include therein a report showing the selling price of gasoline at the wholesale level in prime market centers of Montana and in surrounding states during the biennium, with indexes tabulated at sufficient intervals to show the

comparative state price structures.

(17) In its discretion, to enter into reciprocal agreements with the taxing authorities of states CONTIGUOUS TO THE STATE OF MONTANA which tax the income of Montana residents earned in that state to provide that the tax imposed by Title 84, chapter 49, R.C.M. 1947, on income derived by persons who are nonresidents of this state shall not be payable when such other state or states agree to grant similar treatment to residents of Montana."

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